

May 15, 1995

DOCKET NO. P-426, 405, 407, 421, 430, 520/CP-91-821

ORDER CERTIFYING POLLING RESULTS AND DIRECTING INSTALLATION OF EAS
BETWEEN WEBSTER AND THE MCA

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Don Storm
Tom Burton
Joel Jacobs
Marshall Johnson
Dee Knaak

Chair
Commissioner
Commissioner
Commissioner
Commissioner

In the Matter of a Petition for Extended Area
Service from the Webster Exchange to
Minneapolis/St. Paul Metropolitan Calling
Area

ISSUE DATE: May 15, 1995

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PROCEDURAL HISTORY

On October 21, 1991, subscribers in the Webster exchange of Scott-Rice Telephone Company (Scott-Rice) filed a petition for extended area service (EAS) to the Minneapolis/St. Paul Metropolitan Calling Area (MCA).

On October 29, 1991, the Minnesota Department of Public Service (the Department) requested Scott-Rice to file a traffic study for the Webster-MCA route.

On December 24, 1991, Scott-Rice filed the study.

On December 31, 1991, the Department recommended that the Commission find that the Webster petition meets the adjacency and traffic criteria of the EAS law. The Department further recommended that the Commission order the involved telephone companies to file revenue requirement studies and proposed rates.

During 1992, the Commission, in conjunction with industry representatives and the Department, developed a traffic study methodology acceptable to all parties.

On July 26, 1993, the Commission issued an Order requiring the affected telephone companies in this matter to file cost studies and proposed rates. During November 1993, the companies filed the required information.

On February 17, 1994, the Commission issued an Order requiring the companies to refile cost

studies and proposed rates based on a stimulation factor of 4. During March and April 1994, the revised cost studies and rates were filed.

On March 22, 1994, Scott-Rice filed its lower-priced alternative.

On May 20, 1994, the Department submitted its report and recommendation.

On December 7, 1994, the Commission issued its ORDER APPROVING A LOWER-PRICED ALTERNATIVE AND ADOPTING RATES FOR POLLING in this matter.

On May 2, 1995, the Commission met to consider Webster's polling results.

FINDINGS AND CONCLUSIONS

A. Certification of Polling Results

The results of that polling shows that a majority of voting subscribers in the Webster exchange voted in favor of EAS. The specific results were as follows:

<u>Percent Voting</u>	<u>YES Votes</u>	<u>NO Votes</u>
74.1 percent	260	153

The one-party residential rate additive for full EAS with the metro calling area will be \$24.05.¹

B. Order for Installation

The third and final statutory criterion for EAS is that a majority of customers responding to a poll in the petitioning exchange favor its installation. Minn. Stat. § 237.161, subd. 1 (a) (2) (1992).

¹ A lower-priced alternative proposed by Scott-Rice will also be offered:

- the Residence additive is \$10.00
- the Business additive is \$15.00

In addition, subscribers to the lower-priced alternative will be charged \$0.10 per minute for calls to the metro area.

Because a majority of Webster customers returning their ballots voted in favor of EAS, the third and final criterion is met for this petition. Accordingly, the Commission will require Scott-Rice Telephone Company (Scott-Rice), which serves the Webster exchange, and the other companies serving the MCA (USWC, Frontier, United, Bridge Water, Sherburne, GTE and Eckles) to implement the Webster-MCA EAS at the earliest date possible.

To expedite and coordinate the implementation process, the Commission will order Scott-Rice to coordinate implementation of Webster's EAS and to file a schedule of the planned implementation, with updates every 90 days.

C. Authorization of Non-Recurring Charges

If Scott-Rice wants to request recovery of non-recurring expenses caused by implementation of EAS, the Company should submit a proposal for that at least 120 days before the planned implementation of EAS.

ORDER

1. The Webster petition is approved. Service shall begin no later than 12 months following the date of this Order.
2. Within 60 days of this Order, Scott-Rice shall file an implementation schedule and shall update that implementation schedule every 90 days.
3. If recovery of non-recurring costs is sought, Scott-Rice must file a request therefor at least 120 days before the planned implementation date. The Department of Public Service shall have 30 days to comment on the proposed charges.
4. Within 10 days of the date of the Order, Scott-Rice shall file the first of two proposed customer notices for approval by Commission staff. The notices shall list the results of the polling. After approval, the Company shall serve the notice in the first possible billing cycle in its Webster exchange. The notice shall include: the polling results, the EAS rate additives, and the proposed implementation date.
5. Scott-Rice shall notify its customers of the start date of the EAS by means of a second bill insert. The notification shall describe the service, instruct customers on dialing, list the additional rates to be paid and the date of implementation. The notice shall include information on the lower priced alternative and clear instructions as to how the customer may subscribe to the lower priced alternative including any deadline the customer must meet in order to have the lower priced alternative in place by the date of implementation of the EAS. The bill insert shall be in the billing cycle that concludes one month before the EAS is implemented.

6. The Company shall submit the second notice (described in Ordering Paragraph #5) to Commission staff for approval at least 90 days before the implementation date of the service.
7. USWC, United Telephone, GTE - Minnesota, Frontier, Eckles Telephone Company, Bridge Water Telephone Company, and Sherburne County Rural Telephone Company shall file, for approval by Commission staff, a notice for their metro calling area subscribers informing them of the implementation date of EAS to Webster. These companies' notices shall list the rate increases for their subscribers, if any, to be paid once EAS to Webster is implemented.
8. The customer notices described in Ordering Paragraph #7 shall be filed with Commission staff at least 90 days before the implementation date of EAS to Webster and shall be served on customers in the billing cycles that conclude one month before EAS is implemented.
9. Thirty days before implementation of EAS, all affected local telephone companies shall file tariff sheets reflecting prior Commission Orders which established the rates and terms for EAS in each of the exchanges affected by the installation of the EAS.
10. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary

(S E A L)